

1 ERIC L. CHRISTENSEN
JONATHAN D. TEBBS
2 CAIRNCROSS & HEMPELMANN PS
524 SECOND AVENUE, SUITE 500
3 SEATTLE, WA 98104
T: 206.587.0700

HONORABLE ROSANNA
MALOUF PETERSON

5 UNITED STATES DISTRICT COURT
6 EASTERN DISTRICT OF WASHINGTON

7 BLOCKTREE PROPERTIES, LLC, a
Washington limited liability company,
8 CORSAIR INVESTMENTS WA, LLC,
a Washington limited liability company,
9 CYTLINE, LLC, a Delaware limited
liability company, 509 MINE, LLC, a
10 Washington limited liability company,
MIM INVESTORS, LLC, a Washington
11 limited liability company, MINERS
UNITED, LLC, a Washington limited
12 liability company, TELCO 214
WHOLESALE SOFTWARE, INC., a
13 Washington corporation, MARK
VARGAS, an individual, and,
14 WEHASH TECHNOLOGY, LLP, a
15 Washington limited liability company,

16 Plaintiffs,

17 v.

18 PUBLIC UTILITY DISTRICT NO. 2
19 OF GRANT COUNTY,
WASHINGTON, a Washington
20 municipal corporation, TERRY

NO. 2:18-CV-00390 RMP

DECLARATION OF ERIC YINGLING

DECLARATION OF ERIC YINGLING - 1

CAIRNCROSS & HEMPELMANN, P.S.
ATTORNEYS AT LAW
524 Second Avenue, Suite 500
Seattle, Washington 98104-2323
office 206 587 0700 fax 206 587 2308

1 BREWER, individually and in his
2 official capacity, BOB BERND,
3 individually and in his official capacity,
4 DALE WALKER, individually and in
5 his official capacity, TOM FLINT,
6 individually and in his official capacity,
7 LARRY SCHAAPMAN, individually
8 and in his official capacity, and DOES
9 1-10, managers and employees of Grant
10 PUD, individually and in their official
11 capacities,

12 Defendants.

13 I, Eric Yingling, declare as follows:

- 14 1. I am over the age of eighteen and am competent to testify to matters below.
- 15 2. I am the owner of Corsair Investments WA, LLC, one of the Plaintiffs in this
16 lawsuit, and I make this declaration based upon personal knowledge.
- 17 3. Corsair Investments WA, LLC ("Corsair") is a Washington Limited
18 Liability Company with offices in Englewood, Colorado, Quincy,
19 Washington, and Spokane, Washington, and operations in Grant County,
20 Washington.
4. Corsair Investments WA, LLC, is a wholly-owned subsidiary of Corsair
Investments, LLC, a Colorado Limited Liability Company with operations in
Colorado.

DECLARATION OF ERIC YINGLING - 2

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- 1 5. Before commencing operations in Grant County, Corsair contacted staff for
2 the Public Utility District No. 2 of Grant County ("Grant PUD") and
3 received assurances that 5 MW of service were available at Corsair's
4 preferred site and that Corsair would receive power under Grant PUD's Rate
5 Schedule 7, which is for "Large General Service."
- 6 6. Corsair relied on these representations in electing to locate in Grant County
7 and has now invested approximately \$1.8 million in facilities in the County,
8 and moved two employees to Grant County based on assurances that Corsair
9 could continue to operate facilities there.
- 10 7. Corsair began taking service from Grant PUD in October 2017, and its
11 predecessor Hashplex, LLC, began taking service from Grant PUD in
12 October 2013.
- 13 8. Since it began operating in Grant County, Corsair has been served under
14 Grant PUD's Rate Schedule 7.
- 15 9. The capacity for Corsair's Grant County facility is 1 MW. Based on
16 Corsair's billing over the last year, Corsair's Grant County facility on
17 average consumes approximately 715,000 kWh per month and the facility's
18 peak monthly demand is 980 kW. On average, Corsair pays approximately
19 \$18,250 per month for electricity service from Grant PUD.
20

DECLARATION OF ERIC YINGLING - 3

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1 10. Corsair has paid each of its Grant PUD electricity bills on time and in full,
2 with the exception of a few bills that were paid late due to administrative
3 errors occurring in the transition from Hashplex.

4 11. Corsair has a security deposit of approximately \$33,000 with Grant PUD.
5 This deposit is sufficient to cover about two months of its average bill
6 should Corsair fail to pay.

7 12. Corsair is served from a substation that is located on the end of Corsair's
8 property line and which also serves Microsoft and Dell datacenters. As part
9 of its agreement to take service from Grant PUD, Corsair paid up-front for a
10 1MW transformer, vaulting, and supply lines, all via Corsair's acquisition of
11 HashPlex.

12 13. Based on Corsair's current energy consumption at its Grant County
13 facilities, if Rate Schedule 17 is implemented, Corsair's estimated total rate
14 will be approximately 308% higher than its current rate under Grant PUD's
15 Rate Schedule 7.

16 14. A rate increase of this magnitude will render Corsair's operations in Grant
17 County uneconomical and force Corsair to cease those operations. Corsair's
18 substantial investments in Grant County would be destroyed and the
19 economic benefits it brings to Grant County would be lost. Corsair might
20 even be forced into bankruptcy by such a rate increase.

1 15. The prospect of being moved in or out of Rate Schedule 17 by Grant PUD
2 staff determinations that are beyond Corsair's control, that could occur
3 without notice at any time, that leave Corsair without legal rights to
4 challenge Grant PUD staff action, and that cannot be predicted creates
5 uncertainty about the cost of Grant PUD's electric service that renders the
6 business climate for Corsair's operations in Grant County untenable, even if
7 Corsair is not ultimately subject to Rate Schedule 17's rate increases.

8
9 I declare under penalty of perjury that the foregoing is true and correct.

10 Executed on February 15, 2019.

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12
13 
ERIC YINGLING

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DECLARATION OF ERIC YINGLING - 5

CAIRNCROSS & HEMPELMANN, P.S.
ATTORNEYS AT LAW
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Seattle, Washington 98104-2323
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Certificate of Service

I, Kacie Coselman, certify under penalty of perjury of the laws of the State of Washington that on March 12, 2019, I electronically filed this document entitled DECLARATION OF ERIC YINGLING using the CM/ECF system which will send notification of such filing to the following persons:

Malcolm McLellan, WSBA #23346
Dale Johnson, WSBA #26629
Van Ness Feldman
719 Second Avenue, Suite 1150
Seattle, WA 98104-1700
T: 206.623.9372 / F: 206.623.4986
E: mcm@vnf.com
E: dnj@vnf.com
Assistant: agales@vnf.com
Assistant: ack@vnf.com

Ben Ellison, WSBA #48315
DBS Law
155 NE 100th Street, Suite 205
Seattle, WA 98125
T: 206.489.3802
F: 206.973.8737
E: bellison@lawdbbs.com
E: bellison@ecf.courtdrive.com
E: paralegal@lawdbbs.com

DATED this 12th day of March, 2019, at Seattle, Washington.



Kacie Coselman, Legal Assistant
CAIRNCROSS & HEMPELMANN, P.S.
524 Second Avenue, Suite 500
Seattle, WA 98104-2323
Telephone: (206) 254-4442
E-mail: kcoselman@cairncross.com

DECLARATION OF ERIC YINGLING - 6

CAIRNCROSS & HEMPELMANN, P.S.
ATTORNEYS AT LAW
524 Second Avenue, Suite 500
Seattle, Washington 98104-2323
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